

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Periodic Reporting  
(Proposal Eight)

Docket No. RM2019-14

PUBLIC REPRESENTATIVE COMMENTS  
(October 16, 2019)

I. INTRODUCTION

The Public Representative hereby provides comments in response to Commission Order No. 5238.<sup>1</sup> In that Order, the Commission established Docket No. RM2019-14 to receive comments from interested persons, including the undersigned Public Representative, that address the Postal Service's petition to change analytical principles related to periodic reporting.<sup>2</sup> The Postal Service filed the Petition pursuant to 39 C.F.R. § 3050.11. Petition at 1. With its petition, Postal Service also filed non-public materials relating to Proposal Eight (USPSRM2019-14/NP1). The Postal Service also provided materials under seal with its response to Chairman's Information Request No. 1.<sup>3</sup>

II. BACKGROUND

The Postal Service proposes changes to the mail processing and transportation cost models for the Parcel Select / Parcel Return Service (PRS). Petition at 1. The Postal Service's proposed modifications to the mail processing cost model aim to

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<sup>1</sup> Notice of Proposed Rulemaking on Analytical Principles Used in Periodic Reporting (Proposal Eight), September 19, 2019 (Order No. 5238).

<sup>2</sup> Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Eight), September 18, 2019 (Petition).

<sup>3</sup> Responses of The United States Postal Service to Questions 1-5 of Chairman's Information Request No. 1, October 8, 2019 (Response to CHIR No. 1).

correct two shortcomings of the current methodology, (1) a Parcel Select mail flow is missing from the cost model and (2) newly implemented PRS processing methods for return delivery unit (RDU) and return sectional center facility (RSCF) mail pieces are not reflected in the model. *Id.* The proposed modifications to the transportation cost model incorporate Parcel Select Lightweight (PSLW) mail pieces into the analysis for the first time since Parcel Select Lightweight was classified as competitive. *Id.*

### III. SUMMARY OF PROPOSAL EIGHT

The Postal Service proposes to incorporate machinable 3-Digit DSCF presort parcels in the model as some Negotiated Service Agreements provide prices for such parcels. *Id.* In order to update the mail processing model with more accurate information, the Postal Service conducted a field study to collect PRS-specific input data. The study ran from January 2018 through September 2018. There were 15 RSCF plants representing 12 districts and 11 RDU delivery units from within the service area of the RSCF plants included in this study. *Id.*

Prior to being classified as a competitive product, Parcel Select Lightweight (PSLW) volume was part of Marketing Mail parcels. *Id.* The modifications to the transportation cost model incorporate Parcel Select Lightweight (PSLW) mail pieces into the analysis. *Id.*

### IV. COMMENTS

The Public Representative reviewed the Postal Service's filing including materials under seal. As discussed in the Petition, the proposed changes to the model are necessary to reflect current operations and product classifications. The Postal Service's workpapers accurately implement the changes to the model as described in the Petition. The Public Representative finds that Proposal Eight improves the accuracy of the Postal Service's periodic reporting. Specifically, the Public Representative finds that the proposed changes improve the accuracy of both the mail processing and the transportation cost models for the Parcel Select / Parcel Return Service (PRS).

## V. CONCLUSION

For the reasons discussed above, the Public Representative supports Proposal Eight and recommends its approval. The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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